H.107 (Vetoed). Paid family and medical leave

This bill would have created the Family and Medical Leave Insurance Program for the payment of Family and Medical Leave Insurance benefits to eligible individuals, including the following:

- The State would have sought a private entity to administer the Program on behalf of the State. If an entity could not be found, the Department of Labor would have administered the Program in cooperation with the Department of Taxes.
- The Program would provide benefits for leave to bond with a new child or care for a sick family member to all eligible employees and would provide benefits for leave related to an employee's own illness to eligible employees who elected to obtain those benefits.
- The program would have been funded by a payroll tax on each employee's wages earned up to the amount of the Social Security Taxable Wage. All employees would have paid the base rate of 0.20 percent, and those employees who elected to obtain coverage for leave related to their own illness would have paid an additional amount equal to 0.38 percent of their taxable wages.
- An individual would have been eligible to receive benefits if he or she had earned wages in at least two of the last four completed calendar quarters and earned wages equal to at least 675 times the State minimum wage during the last four completed calendar quarters.
- An eligible individual would have received up to 12 weeks of benefits within a 12-month period, including a maximum of 12 weeks of leave to bond with a new child, a maximum of eight weeks of leave to care for a family member, and up to six weeks of leave for the employee's own illness, provided the employee elected to obtain that additional coverage.
- The bill also included provisions related to the Program that governed contracting with a private entity to administer the Program, the collection of payroll taxes, applications for benefits, determinations of eligibility for benefits, appeals, collection of overpaid benefits, penalties for false statements, and confidentiality of information.

In addition, this bill would have required the Departments of Financial Regulation and of Taxes to adopt rules necessary to administer the Program within 215 days after the bill took effect and required the Commissioner of Labor to adopt rules necessary to administer the Program and to develop education and outreach materials related to the Program within one year after the bill took effect.

The bill also would have required reports related to:

- The potential for allowing self-employed individuals to opt-into the Program.
- The potential to transition to a State-operated Program in the future.

- The process of seeking and contracting with a private entity to administer the Program.
- The potential for making coverage for an employee's own illness mandatory in the future.
- If the State failed to find a private entity to administer the Program, a plan for the State to operate the Program.

On the date when employees would have been eligible to begin receiving benefits through the Program, this bill would have amended the Parental and Family Leave Act to permit leave following a placement for foster care or adoption of a child who was 18 years of age or younger and to permit an eligible employee to take family leave if his or her employer employed 10 or more individuals for an average of 30 hours or more per week during a year. On the same date, this bill also would have amended Vermont's unemployment insurance law to add Parental and Family Leave Insurance benefits to the types of remuneration that would disqualify an individual from receiving unemployment insurance benefits.

Vetoed by the Governor: February 6, 2020
Effective Date: Not applicable